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NPIC/TSSG/RED-061/70
9 February 1970

MEMORANDUM FOR: Chief, Technical Services & Support Group
SUBJECT : Research & Engineering Division Travel

1. We have been informed that PPBS has recommended that there be no adjustment to the RED travel budget at this time. This appears to RED to be both an illogical and imprudent approach which would drastically decrease both the efficiency and effectiveness of NPIC's R&D efforts. This memorandum is intended to present the background decisions which resulted in our current budget and the most recent projections of the necessary travel to effectively carry out our functions between now and June 30.

2. During FY-69, RED (then DED) had a travel budget [] This budget continued through to May of 1969. Late in May 1969, we were informed that [] was going to be arbitrarily deleted from the approximately [] still unexpended in our budget. These funds absorbed a deficit originally incurred by over expenditure of travel funds in IEG. This PPBS decision had three effects upon RED.

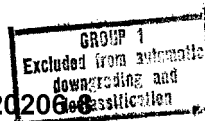
a. It reduced our travel budget from []

b. In order to survive from May 30 until June 30, RED was forced to delay the majority of its monitoring trips--those that feasibly could be delayed--until after July 1 so that they would fall into FY-70. This, of course, was robbing Peter to pay Paul, since this additional burden was placed against our FY-70 budget.

c. This gave us an end-of-the-year budget figure of [] in FY-69--with [] actually expended. This, of course, is illusory and a figure forced upon us. This figure should have been []

3. During FY-70, we were given no firm guidance as to our RED travel budget during July and August. This fact is confirmed by the blank spaces on [] "end-of-the-month" funding sheets. Instead, we were given the generalized statement that we would be given the same amount for FY-70

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as we had worked against in FY-69. By our standards, this should have been [] Once again, we were paying the penalty for IEG's over expenditure. During the period of July through September, RED was reorganized, picking up the functions of the Exploratory Laboratory from ESD and acquisition systems monitoring from ARTS. As a consequence of this reorganization, an adjustment was made giving RED some additional funds from ESD and ARTS. PPS/TSSG informs us that their original recommendation for RED's travel budget was much higher than the [] total finally settled upon. However, their recommended figure was adjusted downward at the objections of the other TSSG Division Chiefs. To our knowledge, RED was not consulted in this matter. It is our best understanding that RED's budget was arbitrarily reduced to [] based upon an audited figure of actual expenditures in FY-69, recalling that this was a figure forced upon us and missing that portion of the expenditures that we were forced to push over into July (FY-70) to do June (FY-69) work. As a consequence, we were now being penalized twice for IEG's FY-69 over expenditure. Based upon this [] figure, we were given an additional [] from ESD for the Exploratory Laboratory personnel and [] for ARTS. ARTS, by the way, spent [] in FY-69. This figure was reduced because of [] transfer to ESD and [] transfer to APSD. A point should be made here that although two personnel were transferred, none of the functions of that staff have been deleted. As a consequence, fewer people had to do more travelling; therefore, RED's budget was once again penalized. As a result of this rather arbitrary adjustment, RED ended up with a budget of [] in FY-70 as opposed to [] in FY-69. This budget is now expected to handle seven additional personnel picked up from the Exploratory Laboratory, four additional personnel picked up from ARTS, two additional personnel in the persons of [] from PPS (with no transfer of funds), and the additions of [] to our staff, a total of 17 new people, i.e., an increase from 16 to 33 in the number of people who actually travel. It can readily be seen that this arrangement is hardly equitable. Nevertheless, a considerable effort was expended in attempting to maintain accurate travel records and monthly projections in an overall attempt to minimize any unessential travel.

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4. Added to this situation were additional difficulties. There has been a general increase in the cost of air travel (particularly on the East Coast runs); taxi fares have increased; rental car costs have escalated; and airport parking fees have gone up. Of course, you are already aware of the 20 per cent overall escalation resulting from the Fall increase in per diem rates. We have been forced to absorb certain costs of travel relating to training, such as the four RED people sent to Offutt. It was our original understanding, when these trips were initially programmed, that these costs would be absorbed by Training. Because of the unusual number of transfers of high-level personnel, a series of orientation trips were required which resulted in additional trips by individual project officers. Many of these trips could not be worked into their normal inspection cycle and resulted in duplicate travel. This, too, resulted in unanticipated pressures against our planned expenditures. An additional unplanned impact resulted from the TSSG directed transfer of [] to PPBS; thereby, requiring a number of trips by two people to the same contract locale in order to transfer [] contract responsibilities to other monitors.


5. As a result of the current situation, we have formulated new projections of those funds which are required for absolute essential travel between now and June 30. Copies of these projections are enclosed for your review and will serve to illustrate the magnitude of the problem. If we are forced to live within the funds still remaining, the only travel that can take place is that which is related to key milestones on critical items of equipment, predelivery inspections, an occasional trip to stay abreast of a single key acquisition system and some limited precontract work.

6. Something will have to give. We will have to eliminate our support of the OL/contract negotiator by not having RED personnel serve as advisors during contract negotiation. We would have to eliminate attendance at CCB meetings. We will have to minimize RSB's attendance at contract review meetings related to on-coming systems. Supervisors will not be able to accompany monitors so as to observe their performances in the field. Contracts will have to be let without present precontract foundations, and particularly, our state-of-the-art review will have to be eliminated. All of these approaches would, in the long run, cost us considerable more in terms of additional contract costs, contractual complications, and project failures. Such a program is neither cost effective nor logical and is not

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good R&D management. It would appear far more pragmatic to thoroughly re-examine TSSG/s travel resources and priorities.


Deputy Chief
Research & Engineering Division

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Attachment:
Travel Projections

Distribution:
Orig - Addressee w/att
2 - RED/TSSG w/att (1 cy)